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HB 91 Mineral Production Tax Withholding Amendments

Utah Code 59-6-102 **Effective Date July 1, 2002**

Provides that 501(c)(3) organizations exempt from corporate franchise or income taxes are also exempt from mineral production tax withholding.

The obligation to deduct and withhold from payments an amount equal to 5% of the amount which would have otherwise been payable to the person entitled to the payment, does not apply to those payments which are payable to:

1. The United States, this state, or any agency or political subdivision of either one; or
2. An organization that is exempt from the taxes imposed by Chapter 7, Corporate Franchise and Income Taxes.

SB 28 Tax Credits - Removal of Tax Credit From Tax Form and Prohibition on Claiming or Carrying Forward Tax Credit

Utah Code 59-7-615, 59-10-135 **Effective Date January 1, 2002**

Requires the Tax Commission to remove income and corporate tax credits from the tax return if the total credit is less than \$10,000 per year and less than 10 persons claim the credit for three (3) consecutive years. Persons filing returns cannot claim or carry forward a credit that has been removed. It requires the Tax Commission to report to the Revenue and Taxation Interim committee and each state agency that assists in the administration of the tax credit for each credit that satisfies the conditions for removal.

1. "Tax credit" means a nonrefundable tax credit listed on a tax return.
2. "Tax return" means an income tax return, a corporate return as defined in Section 59-7-101, or a tax return filed in accordance with Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to pay Corporate Franchise or Income Tax Act.

SB 57 Corporate Franchise and Income Taxes - Treatment of Certain Cooperatives

Utah Code 59-7-101, 59-7-102, 59-7-402; Administrative Rule 865-6F-18 **Effective Date January 1, 2002**

Clarifies that a farmer cooperative is exempt from Utah corporate franchise tax and that any other cooperative subject to federal Subchapter T is exempt from Utah corporate franchise tax only to the extent it is exempt from federal tax.

"Farmers' cooperative" means an association, corporation, or other organization that is an association, corporation, or other organization of farmers or fruit growers and is organized and operated on a cooperative basis. They market the products of members of the cooperative or other producers and return the proceeds of sales, less marketing expenses, on the basis of the quantity or value of the products. They purchase supplies and equipment for the use of members of the cooperative or other persons and turn over the supplies and equipment at actual costs plus necessary expenses to the members of the cooperative or other persons.

SB 146 Business Entity Amendments

Utah Code 48-2a-104, 48-2a-202, 48-2c-108, 48-2c-110, 48-2c-401, 48-2c-408, 48-2c-602, 48-2c-707, 48-2c-801, 48-2c-804, 48-2c-1103, 48-2c-1207, 48-2a-202.5 (click here to view Title 48), 16-6a-1008.7, 16-10a-1008.7 **Effective Date May 6, 2002**

This act modifies the Partnership and Corporations Titles and makes technical changes. It addresses issues related to registered agents and business addresses and provides for conversion of corporations to or from domestic limited liability companies. This act amends provisions of the Utah Revised Limited Liability Company Act.

A domestic nonprofit corporation may convert to a domestic limited liability company. However, if it does convert, the articles of conversion shall state:

1. The date on which and the jurisdiction where the entity was first created, and if it has changed, its jurisdiction immediately prior to its conversion to a domestic company;
2. The name of the entity immediately prior to the filing of the articles of conversion;
3. The name of the company as set forth in its articles of organization;
4. The future effective date or time of the conversion to a domestic company if it is not to be

effective upon the filing of the articles of conversion and organization;

5. That the conversion has been approved by the owners of the entity; and

6. If the corporation has any members, provide for the cancellation or conversion of any membership in the domestic nonprofit corporation to a membership interest in the domestic limited liability company.

A limited partnership shall continuously maintain in this state an agent for service of process. However, a limited partnership may change the partnership's registered agent by filing a notice of change of registered agent with the division. The notice of change shall state the name of the limited partnership, the name of the previous registered agent and the name of the new registered agent along with a written consent to the appointment. A notice of change shall be filed no later than 30 days after the change.